

## PUBLIC UTILITIES COMMISSION

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December 30, 2020

**VIA ELECTRONIC MAIL**

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**Subject: Comments of the Public Advocates Office on Draft Resolution WSD-013**

## I. INTRODUCTION

Pursuant to Rule 14.5 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments on Draft Resolution WSD-013, the *Resolution Ratifying Action of the Wildfire Safety Division on Bear Valley Electric Service, Inc.'s 2020 Wildfire Mitigation Plan Refile Pursuant to Public Utilities Code Section 8386* (WSD-013 or Draft Resolution).

In these comments, Cal Advocates makes the following recommendations:

- The Wildfire Safety Division (WSD) should revise the Draft Resolution to use the term “just and reasonable” in place of “legitimacy” for review of wildfire mitigation plan (WMP) costs.
- The WSD should revise BVES-R11 to require BVES to submit a revised evacuation plan.
- The WSD should separate Condition BVES-R2 into two deficiencies.
- The WSD should revise Condition BVES-R9 to address coordination with Southern California Edison Company (SCE) and the State Warning Center.

## II. BACKGROUND

BVES submitted and served its Wildfire Mitigation Plan on February 7, 2020, pursuant to Resolution WSD-001. BVES amended its Wildfire Mitigation Plan on March 6, 2020, and on May 22, BVES served an “Errata” disclosing substantial errors in its amended WMP submission. On August 26, 2020, the WSD denied BVES’s WMP as amended and submitted, and required BVES to submit a new 2020 WMP no later than 60 days from the date of issuance of the Final Action Statement.<sup>1</sup>

BVES submitted a new WMP on September 18, 2020 (2020 WMP refile). Cal Advocates submitted timely comments to the WSD on October 19, 2020. On October 26, 2020, BVES submitted reply comments, in which BVES agreed to address Cal Advocates’ concerns in its 2021 WMP submission or at an appropriate future date.

On December 11, 2020, the WSD issued its *Draft Action Statement on Bear Valley Electric Service, Inc.’s 2020 Wildfire Mitigation Plan Refile* and Draft Resolution WSD-013, in which the Commission ratifies the WSD’s Action Statement. The Draft Resolution permits stakeholders to submit comments no later than 20 days following the date the resolution was served.

## III. DISCUSSION

### A. **The WSD should revise the Draft Resolution to use the term “just and reasonable” in place of “legitimacy” for review of WMP costs.**

The Draft Resolution states that the proposed outcome of the resolution “does not approve costs attributable to WMPs, as statute requires electrical corporations<sup>2</sup> to seek and prove the legitimacy of all expenditures at a future time in their General Rate Cases

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<sup>1</sup> Wildfire Safety Division Final Action Statement on Bear Valley Electric Service Inc.’s 2020 Wildfire Mitigation Plan, August 26, 2020.

<sup>2</sup> Many of the Public Utilities Code requirements relating to wildfires apply to “electrical corporations.” See e.g., Public Utilities Code Section 8386. Hereinafter, these comments will use the more common term “utilities” and the phrase “electrical corporations” interchangeably to refer to the entities that must comply with the wildfire safety provisions of the Public Utilities Code.

(GRC) or compliant application.”<sup>3</sup>

The term “legitimacy,” which is not found in statute, is vague, lacks any clear meaning in a regulatory context, and is at odds with the underlying statute. P.U. Code Section 8386.4 states that “the commission shall<sup>4</sup> consider whether the cost of implementing each electrical corporation’s plan is just and reasonable in its general rate case application.”<sup>5</sup> Using the term “legitimate” in WSD-013 may also create the incorrect impression that costs need not be just and reasonable as long as they are correctly recorded and could lead to unnecessary litigation.

Therefore, the WSD should revise the Draft Resolution to reflect the required legal standard of “just and reasonable” in place of “legitimacy” for review of WMP costs.<sup>6</sup>

Indeed, the Public Advocates Office previously made this same recommendation on Draft Resolutions WSD-002 through WSD-009,<sup>7</sup> and the WSD adopted the Public Advocates Office’s recommendations in the final Resolutions.<sup>8</sup> To be consistent, WSD-13 should be corrected to conform with prior resolutions.

**B. The WSD should revise BVES-R11 to require BVES to submit a revised evacuation plan.**

In Condition BVES-R11, “Lack of wildfire issues addressed in emergency preparedness plan,” the WSD states its concern that BVES is generally unprepared to meet the challenge of a wildfire. The condition requires BVES to set forth its emergency planning and preparedness for wildfire.<sup>9</sup> However, this condition does not require BVES

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<sup>3</sup> Draft Resolution WSD-013, p. 3.

<sup>4</sup> “Shall” is ordinarily “a word of mandate, the equivalent of ‘must,’ where appearing in a statute,” *see* Ballantine’s Law Dictionary (3rd ed.), and should be construed as mandatory in this context as well.

<sup>5</sup> Public Utilities Code Section 8386.4(b)(1).

<sup>6</sup> The term “just and reasonable” is also consistent with P.U. Code Sections 451 and 8386.4, which require that all utility rates be “just and reasonable.”

<sup>7</sup> Comments of the Public Advocates Office on Draft Resolutions WSD-002 through WSD-009 Regarding Wildfire Mitigation Plans, May 27, 2020, p. 5.

<sup>8</sup> *See e.g.*, Resolution WSD-003, p. 66.

<sup>9</sup> Draft Resolution WSD-013, pp. 49-50.

to specifically address its evacuation plan.

BVES notes in its 2020 WMP refile that its service area has three predetermined evacuation routes, developed by the local sheriff department and other government officials, to evacuate the public in the event of a wildfire.<sup>10</sup> However, in Section 5.3.3, “Grid Design and System Hardening,” BVES discusses its plans to harden electrical assets along the evacuation routes to ensure they do not fail during a wildfire.<sup>11</sup> These projects are currently in the pilot stage and are not expected to be complete until the end of 2026.

While BVES has stated its intent to reduce the risk of its electrical assets failing and blocking evacuation routes during a wildfire, BVES does not discuss its plan on how it will reduce this risk in section 5.3.9 of its WMP, “Emergency Planning and Preparedness.” BVES’s service territory is characterized by mountainous high-altitude terrain, with a high density of trees.<sup>12</sup> With only three predetermined evacuation routes, there is a risk of one or more routes becoming blocked by active fire, fallen trees, electrical poles, or other debris. To mitigate this risk, BVES should provide an evacuation plan that includes alternate plans when the first line of evacuation routes is blocked, as part of its emergency preparedness plan.

The WSD should revise BVES-R11 to require BVES to include a plan for an evacuation of its service territory in circumstances where one or more evacuation routes are blocked.

**C. The WSD should separate Condition BVES-R2 into two deficiencies.**

Condition BVES-R2 appears to combine concerns related to BVES’s modeling capabilities with concerns related to BVES’s 3-year and 10-year plans, which may lead to

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<sup>10</sup> BVES 2020 WMP Refile, p. 128.

<sup>11</sup> BVES 2020 WMP Refile, p. 128.

<sup>12</sup> BVES 2020 WMP Refile, p. 13.

unclear and incomplete responses. Separating this deficiency into two separate deficiencies would likely result in clearer, more focused responses.

Condition BVES-R2, “Details on risk spend efficiency and future modelling plans,” addresses two related but separate issues. Parts i, ii, and v require BVES to provide explanations for its risk spend efficiency (RSE) estimates, describe how the Fire Safety Circuit Matrix works, and describe BVES’s progress in developing a model to quantify ignition risk drivers and associated probabilities.<sup>13</sup> These parts require BVES to provide more detail regarding its current and planned modeling capabilities.

Parts iii, iv, and vi of this condition relate to program planning. These parts require explanations of how BVES will reduce the risk of its distribution circuits, an explanation of how new technology and innovations will affect BVES’s 3-year strategy, and a year-by-year timeline for reaching its goals.<sup>14</sup> These parts require BVES to provide more detail regarding its 3-year and 10-year plans, outlined in Section 4.1 of BVES’s WMP refile.

The WSD should separate Condition BVES-R2 into two deficiencies: one requiring BVES to expand on its current and future modeling capabilities, and one requiring BVES to expand on its 3-year and 10-year program plans.

**D. The WSD should revise Condition BVES-R9 to address coordination with SCE and the State Warning Center.**

As part of Condition BVES-R9, “[Public Safety Power Shutoff] PSPS,” the WSD states that BVES did not provide a detailed description of its coordination with SCE during the Restoration Phase of a PSPS event.<sup>15</sup> The WSD also states that BVES did not discuss notification of the State Warning Center in the initial PSPS or Restoration Phase of its plan.

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<sup>13</sup> Draft Resolution WSD-013, p. 18.

<sup>14</sup> Draft Resolution WSD-013, p. 18.

<sup>15</sup> Draft Resolution WSD-013, p. 43.

However, none of the nine parts of Condition BVES-R9 require BVES to explain either its coordination with SCE, or its plans to notify the State Warning Center during a PSPS event. While the text of the deficiency includes these points, the WSD may not receive a response on these issues without a clear requirement to address them.

The WSD should revise Condition BVES-R9 to add parts requiring BVES to provide a detailed description of its coordination with SCE and to discuss notifying the State Warning Center.

#### **IV. CONCLUSION**

Cal Advocates respectfully requests that the Wildfire Safety Division adopt the recommendations discussed herein. Please contact Alan Wehrman ([alan.wehrman@cpuc.ca.gov](mailto:alan.wehrman@cpuc.ca.gov)) or Henry Burton ([henry.burton@cpuc.ca.gov](mailto:henry.burton@cpuc.ca.gov)) with any questions relating to these comments.

Sincerely,

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